



# LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

**MICHAEL A. JIMENEZ**  
President

**MAHESH PAREKH**  
Vice President

**BONDIE O. GAMBRELL**  
Secretary – Treasurer

**ROBERT E. BUSH**  
Director

Director

**Khanh Nguyen**  
**Peter Papadakis**  
Assistant Secretaries

## **MINUTES**

### **MAY 25, 2006 MEETING**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 383  
Los Angeles, CA 90012

## **PRESENT**

Michael Jimenez, President  
Mahesh Parekh, Director  
Robert Bush, Director

## **ABSENT**

Bondie Gambrell, Treasurer

## **CALL TO ORDER**

President Jimenez called the meeting to order at 2:27 p.m.

## **APPROVAL OF MAY 5, 2005 MINUTES**

On motion of Director Parekh, seconded by Director Bush, the Corporation unanimously approved the May 5, 2005 minutes.

## **ADOPTION OF RESOLUTION IN CONNECTION WITH THE ISSUANCE OF LEASE REVENUE BONDS 2006 SERIES A EQUIPMENT PROGRAMS**

On motion of Director Bush, seconded by Director Parekh, the Corporation unanimously adopted the Resolution authorizing an Official Notice Inviting Bids in connection with the issuance of not to exceed \$35 million aggregate principal amount of LAC-CAL Lease Revenue Bonds, 2006 Series A (LAC-CAL) Equipment Program and other matters related thereto, a Lease Agreement between LAC-CAL and the County of Los Angeles, the execution and delivery of an Indenture, and the Preliminary Official Statement for the Lease Revenue Bonds.

## **LAC-CAL EQUIPMENT FINANCING UPDATE**

Doug Baron, Treasurer and Tax Collector (TTC), provided the following updates:

- \$45 million in Bond Anticipation Notes (BANs) will be redeemed on/before June 28, 2006;
- Authorization for the FY 2006-07 is near \$70 million;
- Current lease revenue bonds outstanding are about \$10 million with plans to issue the next BANs by the Corporation in mid-June 2006.

Denis Whann, TTC, reported the Sheriff's Department is the largest purchaser in equipment and plans to obtain additional vehicles/motorcycles this year. Moreover, County hospitals have purchased medical equipment totaling \$300,000 – \$800,000. During the past year, the Department of Parks and Recreation and Department of Beaches and Harbors have also

begun to utilize the equipment financing program.

Mr. Baron reported the Issuance of Lease Revenue Bonds will close June 28, 2006 and the first issuance of BANs at \$5 million will open in mid-June 2006. Mr. Whann advised that Bond Sale 25 Lease Revenue Bonds 2006 Series A officially closed at the end of April 2006 and the purchasing of new equipment (\$2 million) has begun which will be placed into Bond Sale 26.

#### **SALE OF 2006 TOBACCO SETTLEMENT ASSET-BACKED BONDS AND LAC+USC CONSTRUCTION PROJECT UPDATE**

Mr. Baron reported the tobacco settlement asset-backed bonds generated \$300 million in net proceeds for the County with \$270 million being used to pay off the outstanding Commercial Paper that funded the construction costs for the new LAC+USC. Due to the issuance of the tobacco securitization bonds, the LAC+USC will be fully paid for when it opens in November 2007. Consequently, there exists a large amount of capacity in the Commercial Paper Program with authorization under a Letter of Credit (LOC) to issue \$335 million in Commercial Paper to fund various capital projects. Currently, only \$2.5 million is outstanding due to seismic work needed at UCLA's Harbor Medical Center.

#### **UPDATE ON LAC-CAL COMMERCIAL PAPER PROGRAM (NEW PROJECTS)**

Jan Takata, Chief Administrative Office, provided an update on the current County Health related projects considered for funding with Commercial Paper. A seismic retrofit program (required under Senate Bill 1953) is to be implemented at all County in-patient care facilities at an estimated cost of \$200 million. Additionally, three 'program driven' projects will include: A Surgery Emergency Room Project at UCLA Harbor Medical Center; Emergency Room and Tuberculosis Unit at Olive View Medical Center; and the Multi- Purpose Ambulatory Care Center at High Desert Hospital. The total amount for the 'program driven' projects is estimated at \$400 million due to escalation in construction and steel costs. The total amount for all projects is expected to be \$600-\$700 million. Mr. Takata advised the Commercial Paper program is vital to the success of these Capital Program projects. In reference to the \$335 million in Commercial Paper, President Jimenez asked how the money would be implemented into the various Capital Projects. Mr. Takata is hopeful the Commercial Paper will fund the design phase of each project and potentially a portion of the construction phase before requesting a bond issuance. Mr. Byers advised TTC can upsize/downsize the program, add additional capacity to LOC's, and implement 'take out' financing as needed to supplement the Capital Projects.

#### **PUBLIC COMMENT**

There was none.

#### **ADDITIONAL MATTERS NOT POSTED ON THE AGENDA (TO BE PRESENTED AND PLACED ON A FUTURE AGENDA)**

On motion of Director Bush and seconded by President Jimenez, the Corporation unanimously determined the need to take immediate action subsequent to the posting of the agenda. On motion of Director Bush and seconded by Director Parekh, the Corporation unanimously received and filed the LAC-CAL Audit Report for FY ending June 30, 2005.

**ADJOURNMENT**

The meeting was adjourned at 2:50 p.m.

**ATTENDANCE**

Denis Whann, Auditor-Controller  
Sandy Yoshima, Auditor-Controller  
Sandra Barbee, Board of Supervisors  
Khanh Nguyen, Board of Supervisors  
Peter Papadakis, Board of Supervisors  
Jan Takata, Chief Administrative Office  
Cammy Dupont, County Counsel  
Doug Baron, Treasurer and Tax Collector  
Glenn Byers, Treasurer and Tax Collector  
John Patterson, Treasurer and Tax Collector  
Bill Yuen, Treasurer and Tax Collector